Globalization and Governance:

Contemplating the Global Village

A report prepared by the Library of Parliament

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Parliamentary Librarian's Foreword

The Library of Parliament is pleased to publish this report on its seminar series *Globalization and Governance: Contemplating the Global Village.* The program was initiated when the Library invited the Centre for Collaborative Government to organize a forum that would bring together parliamentarians, public servants and members of the policy community for an in-depth discussion of issues related to the political impacts of globalization on Canadian society, as a means of assisting parliamentarians in identifying and exploring the policy challenges it poses for them. We are grateful for the support we received from the departments of Canadian Heritage, Citizenship and Immigration, and Foreign Affairs and International Trade.

As with our previous seminar series, *Measuring Social Indicators: The Use of Societal Outcomes by Parliamentarians*, the Library sees one of its key roles as that of providing an environment in which parliamentarians can get together to discuss relevant policy issues with one another and with key players from the public and private sectors.

I want to thank the impressive array of invited panellists who made the series such a success: Thomas Homer-Dixon, author of *The Ingenuity Gap* and Director of the Centre for the Study of Peace and Conflict at the University of Toronto; Jane Jenson, professor of political science, Université de Montréal; Howard Duncan, Executive Head of the Metropolis Project; Foreign Affairs Minister Bill Graham; John English, Director of the Centre on Foreign Policy and Federalism at the University of Waterloo; Australian High Commissioner Anthony Hely; and Gordon Smith, Director of the Centre for Global Studies at the University of Victoria and Chairman of the International Development Research Centre.

To co-chairs Senator Raynell Andreychuk and Marlene Jennings, MP, and to the authors of this report, I wish to express my appreciation for the excellent way in which the sessions were handled and for their advice and guidance on all aspects of the program. To the parliamentarians who participated and ensured a high level of discussion, thank you for the opportunity to present such a program. To all the other participants who contributed to the discussions, our sincere thanks for joining us. Don Lenihan of the Centre for Collaborative Government and Bill Young from the Library were once again involved in all aspects of putting this program together and making it a success. As always, a job very well done.

Richard Paré
Parliamentary Librarian

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Preface

The following report is based on a series of four events hosted by the Library of Parliament: a keynote address by Thomas Homer-Dixon and three roundtable sessions. The aim of the series, which examined the political impact of globalization on Canadian society, was to help parliamentarians identify the roles they can play as local and global issues increasingly merge.

The sessions, held between March and November 2002, brought together Members of Parliament and Senators, as well as senior public servants, academics, representatives from the broader public sector, and members of the media. Experts were brought in at each session to deliver short presentations that would broaden thinking and help to set the framework for discussion. The series was co-chaired by Senator Raynell Andreychuk of Saskatchewan and Marlene Jennings, Member of Parliament for Notre-Dame-de-Grâce–Lachine. It was organized by the KTA Centre for Collaborative Government.

This initiative was intended to:

- Examine the policy challenges that globalization poses for Canadian society as a result of the revolution in information and communications technologies;

- Identify important public administration and political issues raised by the transition to a knowledge-based society; and

- Discuss what parliamentarians can do to help ensure that Canadians have the right policies, programs and services to support them in this transition.

The impetus for the project came from a realization that parliamentarians should have an opportunity to discuss, in a non-partisan forum, the ways that globalization is transforming economies and societies. These changes have led to public concerns about national sovereignty and have raised a series of new questions to which parliamentarians must respond. If the task of leaders is to prepare Canadians to take advantage of the full benefits that a knowledge-based, globalized society has to offer, what role should parliamentarians play? How can they ensure that government is exploring the implications and tackling the policy challenges inherent in such a transition?

This report summarizes the lively and constructive discussions on the roundtables' vast topic: *Globalization and Governance: Contemplating the Global Village.* Given the many different viewpoints and wide range of interests, it does not present formulas for action so much as pathways that individual parliamentarians have been taking, and that others can take in future, to manage the impact of globalization on their constituencies and the nation.

The report is structured thematically rather than chronologically. It begins with an overview of the roundtable process, then moves into a discussion of the changes globalization has brought and the issues that require our attention. It then considers citizenship and immigration in a globalized Canada, and finishes with a look at globalization's impact on Canadian governance in the 21st century. An overview of the Australian Treaty Process can be found in the Appendix.

Introduction

> *We must generally make more and better decisions, in less time, than ever before.*
>
> Thomas Homer-Dixon,
> *The Ingenuity Gap*

Only a few decades ago, the word globalization was not even in our vocabulary. Even today, its meaning is subject to different interpretations. Indeed, the *Cambridge International Dictionary* offers three definitions, reflecting the wide field of meanings that the word encompasses:

- to make a company or system spread or operate internationally;

- the increase of trade around the world, especially by large companies producing and trading goods in many different countries;

- when available goods and services, or social and cultural influences, gradually become similar in all parts of the world.

In *Global Transformations: Politics, Economics and Culture*, David Held, Jonathan Perraton, Anthony McGrew and David Goldblatt say that "globalization can be thought of as the widening, intensifying, speeding up, and growing impact of world-wide interconnectedness." The Australian Centre for Innovation and International Competitiveness offers this more economic perspective: "Globalisation describes the increasing convergence and interdependence of national economies and of the international scope and availability of markets, distribution systems, capital, labour and technology."

Today, globalization surfaces everywhere, from speculation about oil prices to planning a vacation to the international delicacies that are available even in rural general stores. The idea that the world is a global village would have seemed strange to our grandparents. It was an arresting concept when Marshall McLuhan proclaimed it back in the mid-1960s, in *Understanding Media*: "We have extended our central nervous system in a global embrace, abolishing both space and time as far as our planet is concerned... the globe is no more than a village." Nowadays, however, it seems obvious, even commonplace.

The world is an increasingly small and familiar place. Canadians chat on-line daily with colleagues across the globe, joke about the Golden Arches near the Kremlin, drive cars that were assembled in the shadow of Korean skyscrapers, and argue over the techniques of South American soccer pros. More ominously, diseases such as SARS can travel quickly across borders, and a political event in a distant country can quickly become "local" politics in Canada, as immigrants from that land become engaged or as news coverage forces it onto the parliamentary agenda. This spring, the international focus on

the war in Iraq was a reminder of the globalized world we live in, as was the concern about the United Nations' role and legitimacy that underscored the acrimonious discussion of the proper way to deal with Saddam Hussein's regime. As well, some of the fiercest and most divisive political debates Canadians have seen in the past 15 years have involved global issues, such as the ratification of the Kyoto Protocol, the approval of free trade agreements, and the World Trade Organization's proposals for trade liberalization.

It should be noted that ours is not the first era in human history to think globally. That concept has been with us since the days of ancient Greece, although the known world was then far more circumscribed. More recently, globalization resurfaced in the 19th century when global trade was widespread and the British Empire expanded. That was, of course, an outgrowth of imperialism and the telegraph, not the Internet; but it was a time when a more global outlook was common, at least in some countries and for some elites.

The broad scope of the roundtables' theme made it necessary for the participants to set parameters around the discussion by agreeing about some key differences between this round of globalization and its 19th-century predecessor. For example, few, if any, participants expected globalization to lead to the birth of a new empire. Although the United States may be the world's sole hyper-power, participants doubted that the Americans were likely to extend their rule in the way the British did. Nor did they expect this wave of globalization – powerful as it is – to lead to the emergence of a new global governance system, a grand Parliament of the Planet. Gordon Smith, director of the Centre for Global Studies at the University of Victoria and a longtime Foreign Affairs official, summed up that discussion succinctly: "Global governance is not in the cards." The nation-state may be changing, but no one argued that it is about to disappear.

Nevertheless, participants did agree that new institutions or mechanisms of global governance are emerging, and they were keen to speculate about the impact on Canada. Some felt that globalization would require only modifications or adjustments to parliamentary democracy as we know it. Others, however, thought that in 20 or 30 years Canada's governance practices may have undergone such changes as to warrant the use of terms such as "paradigm shift" and "transformation."

Whatever their views, all agreed on the timeliness and importance of the theme: *Globalization and Governance: Contemplating the Global Village.* In particular, participants wanted to know where parliamentarians should focus their attention in preparing for the future as the nation-state comes under pressure, and what their role should be as governance changes.

In this regard, three questions are vital:

- How do we reform parliamentary institutions to make them more effective in this era?

- How do we reform international organizations to make them more democratic?

- How can parliamentarians make "global governance" as practised at the international level, through such institutions as the United Nations and the World Trade Organization, accountable to their country's citizens?

Although these three questions were not specifically posed at the roundtables, they underlay all the discussions. They will also have to be dealt with long after the roundtables are over, as parliamentarians grapple with globalization and governance.

Two fundamental points framed much of the discussion. First, as governance changes, decision-making is likely to become less centralized. In his keynote address, Thomas Homer-Dixon, Director of the Centre for the Study of Peace and Conflict at the University of Toronto and author of the best-seller *The Ingenuity Gap*, spoke of the need to create "multiple problem-solving entities" and drew attention to the role of new information and communications technologies in supporting a more "distributed" or diffuse approach to decision-making. On this basis, governance in future will be even more complex, involving more consultation with more players.

Second, the traditional distinction between domestic and international policy is breaking down. In the past, international and domestic affairs were considered as relatively separate policy fields. Today, they are so intertwined that they can scarcely be separated. Gordon Smith introduced a term that reflects the fusion of the two concepts of "domestic" and "international": *intermestic*. Participants liked this term, suggesting that it captured something basic about the complex logic of globalization, its impact on societies such as Canada, and the difficulties that modern governments face in responding to the situation. It was a rallying point for discussion that illuminated presentations and exchanges during a number of the sessions.

This report lays out the issues that parliamentarians are facing as the world becomes more interdependent, more complex, and faster-moving than ever before. Its goal is to "connect the dots" created by participants and speakers from our roundtable series into a sketch of how parliamentarians can use their position to actively engage and improve our rapidly changing world.

Overview of the Presentations

In **Roundtable One**, on the domestic impact of globalization, participants focused on social cohesion. If Canadians are to manage the centrifugal forces of globalization – the push toward global economic integration, harmonization of standards, and cultural homogenization – they need to know what ties bind them together as a community and how to reinforce those ties.

Jane Jenson, professor of political science at the Université de Montréal, argued that Canadians' experience with cultural diversity could be a source of solidarity in the face of such pressures. This view was striking in its willingness to challenge conventional wisdom, which teaches that high levels of diversity, fortified through immigration, erode social cohesion.

Howard Duncan, Executive Head of the Metropolis Project, focused on immigration as a case study of the challenges and opportunities that globalization poses in key policy areas.

Roundtable Two considered how Canada should project itself on the international stage. Most participants thought that civil society organizations and the private sector would be increasingly important presences in future at the international level.

According to Foreign Affairs Minister Bill Graham, future policy-making should not only take account of domestic and international priorities, but also draw civil society and business into the discussion to ensure that policy represents the opinions, interests, and values of all Canadians. He also suggested that the growing influence of these sectors should be balanced with a more engaged role for parliamentarians.

John English, professor of history and a Director of the Centre on Foreign Policy and Federalism at the University of Waterloo, and former Member of Parliament for Kitchener, provided a historical sketch of the highs and lows of parliamentarians' role in foreign policy and of their sometimes uneasy relationship with civil society. He concluded that globalization creates an opportunity for parliamentarians and civil society to work together in new ways that can contribute to a stronger role for both in the policy process.

Australian High Commissioner Anthony Hely offered some direction on new approaches to policy development in international issues. He explained how his country had created formal mechanisms to ensure that international treaties are now reviewed by parliamentarians and are subject to consultations with stakeholder groups.

In **Roundtable Three**, Gordon Smith examined the impact of globalization on institutions and practices of governance. In his view, the immediate challenge is to manage the impact of globalization on the world. That does not mean curbing globalization or closing borders; rather, it means designing new institutions that will help ensure that benefits are more evenly shared.

Key Themes

1. Interdependence and Complexity: Characterizing the Change

Globalization is seen by many as a consequence of trade liberalization. As trade barriers come down, economies become more interdependent. Some, however, see it the other way: globalization has forced trade liberalization. In reality, they would seem to be concomitant factors, occurring at the same time and acting reciprocally.

In his wide-ranging keynote address, Thomas Homer-Dixon clearly rejected simplistic views of globalization. While he allowed that freer trade might have been the trigger that set off the present round of globalization, trade is only one of a number of systems that now drive it and pose real challenges for governance. For example, free trade encourages the spread of communications and transportation technology. Improved communications and the increased mobility of goods promote population growth. As populations rise, so does consumption, which, in turn, leads to migration.

He warned, however, that these "systems" are not linked through a simple causal chain. They interact with and affect one another in complex ways. Globalization is a system of systems. It behaves holistically.

As globalization progresses, previously separate spheres of activity become more integrated.

Homer-Dixon focused on two basic changes. The first involves growing interdependence. As globalization progresses, previously separate spheres of activity become more integrated. For example, as national economies become more interdependent, domestic issues start to have international consequences, and vice versa.

The second change lies in the increasing complexity of the individual systems. The more adjustments we make to increase a system's efficiency, ensure maximum performance and respond to interdependence, the more complex the system becomes. Sometimes, individual systems continue to work in ways that allow predictable results, such as the time lag between a central bank's change of interest rates and the effect of those rates on the housing market. But increasingly, non-linear responses occur: one event or system affects other systems in ways that are unexpected and often quite unpredictable.

It is becoming increasingly difficult to predict how decisions and policies in one part of an economic, social, political or technological system will affect other parts.

Such changes make it hard to manage what were once thought to be relatively separate systems. It is becoming increasingly difficult to predict how decisions and policies in one part of an economic, social, political or technological system will affect other parts. Homer-Dixon worries that we have crossed a "complexity threshold." We are embedded in economic, social, political and technological systems interrelated by linkages that are increasing exponentially. As well, these systems are behaving more holistically, making it harder to predict how they will respond in future.

Increasing complexity and interdependence are also having an impact on our governance systems. Modern nation-states took shape in the 18th and 19th centuries, when the world was a simpler, more linear place. They were not intended to deal with the challenges of modern globalization. Although each nation-state was part of the larger international system, the linkages between the two spheres were weak. That made the distinction between domestic and international issues quite stark in the past; it was easy to demarcate what belonged to each sphere. As nation-states become more interdependent, however, the distinction becomes less clear, as does the relationship between states and citizens.

Do we want more interdependence among systems? On the one hand, Homer-Dixon thinks that it can be a good thing. For example, economic integration can promote investment and growth. On the other hand, he rejected the view that the more interdependence we have, the better it will be. In the global village, we need buffers against unexpected shocks coming from other parts of the system. Moreover, taken to its logical conclusion, interdependence would homogenize societies. If interdependence has advantages, so too does diversity, which contributes to innovation and experimentation.

The ideal is to find the right balance between interdependence and separateness, and between unity and diversity.

The ideal is to find the right balance between interdependence and separateness, and between unity and diversity. Good governance requires both. We need a new model for governance, Homer-Dixon concluded, one that reflects the holistic logic of globalization and allows us to inject more ingenuity into decision-making.

Homer-Dixon finds the beginnings of such a model in complex adaptive systems, such as the immune system or economic markets. These systems involve multiple problem-solving entities: no single person, group or element is tasked with trying to solve a problem or find all the answers. Complex adaptive systems rely on a series of individuals, groups or elements exploring the situation and experimenting with solutions. These constituent parts are linked together within a loose information network, in which members are rewarded for their successes and penalized for their failures.

In answering questions from participants, Homer-Dixon elaborated on the challenges of redesigning our political institutions to make them more like a complex adaptive system. For example, the task would require new ways of organizing public services to allow for more distributed rather than centralized approaches to problem-solving. It would also require a major cultural change. A more holistic public service must be supported by a learning culture, where creative failures are tolerated and even encouraged – something difficult to do when even minor public service mishaps may be feasted upon by the news media and the parliamentary opposition. Without risk-taking, however, this kind of public service system will be ineffective. It will not produce the solutions we need at the time we need them.

Finally, good governance requires more citizen education and involvement. At present, complex problems are handed to technocrats on the assumption that such problems are too complicated for citizens to understand. In fact, community approaches to many problems have proven remarkably innovative and resourceful. We need more flexible structures that allow us to tap into this source of human and social capital.

If it is true that new structures of governance will be needed, and that communities must become more involved in the challenges of the day, then parliamentarians must become aware of their capacity to contribute to change in both these areas. As political agents, parliamentarians have the authority to reorganize and recreate government. As community representatives, parliamentarians can become a focal point for drawing out the ingenuity of those people they represent in Parliament.

New structures of governance will be needed… Globalization is changing the dynamics within society by counteracting the kind of forces that make individual communities strong, innovative and successful. Social cohesion, which keeps us together as a nation, is under stress.

The scope of this work looms large. Parliamentarians should take some comfort in the fact that they will not be alone; other representative bodies, such as non-governmental organizations (NGOs) and community groups, will also be a part of these processes. Nevertheless, this emerging collaborative approach will require parliamentarians to develop strong facilitation and negotiation skills as they work to realize the best results for their community and the country.

Central to this skill-set will be the understanding that globalization is changing the dynamics within society by counteracting the kind of forces that make individual communities strong, innovative and successful. Social cohesion, which keeps us together as a nation, is under stress.

2. Social Cohesion: Community and Citizenship in the Global Village

2.1 Good Citizenship Practices

According to Jane Jenson, social cohesion lies in a community's ability to address and resolve the conflicts that are inherent in a pluralist society. Building social cohesion involves establishing boundaries between those who are in a community and those who are not. It is not just a matter of obtaining a passport or having a nationality. It is about establishing the right kind of relationship between citizens and the state, and among citizens. At the deepest level, societal boundaries rest on a commitment to shared values.

But shared values are not enough. If they are to be translated into social cohesion, good citizenship practices are also required. Such practices mediate the citizen-state and citizen-to-citizen relationships, thereby helping to establish the boundaries around a community and the bonds between its members.

Jenson set out four conditions that must be met by good citizenship practices, using immigration – a policy area that is particularly important to Canadians – to illustrate the challenges and opportunities of building social cohesion.

- ***Rights and responsibilities:*** Respect for civil, political and social rights is a basic condition of pluralistic democracies. The state must respect citizens' rights, and citizens must respect those of one another. Rights also imply responsibilities, such as to obey the law, pay taxes and participate in political life.

  Participants wondered how far Canadians should be prepared to adjust their rights and responsibilities to allow for different cultural practices. For example, what are the limits of freedom of religion or speech? It was generally agreed that the extent of such rights should evolve and change along with the society. A participant noted that this view is consistent with Section 1 of the *Canadian Charter of Rights and Freedoms*. At the same time, there was strong agreement that new Canadians must be willing to respect basic rights and meet citizenship responsibilities, if immigration is to contribute to social cohesion.

- ***Access:*** Public institutions must empower citizens and enable them to participate in public debate.

  Participants agreed that steps should be taken to ensure that public debate includes new Canadians and that it is open to the new perspectives and ideas that they may bring from their diverse places of origin.

- ***Belonging:*** Strong social cohesion requires a sense of belonging among community members. In an immigrant society such as Canada's, Jenson noted, social cohesion is enhanced by willingness on the part of all Canadians to respect cultural differences and to work for the integration of new members into the society.

- ***Responsibility mix:*** As citizens, we must be clear about the responsibilities we have to the community as a whole and to each other, recognizing that certain responsibilities are essential to ensuring social cohesion.

  Participants wondered how we can reach agreement on the Canadian community's obligations to new Canadians, and on their obligations to Canada. How do we set boundaries, say, around the right to privacy, or between markets, family and government?

The discussion focused on the challenges and opportunities that immigration, and cultural diversity in general, pose for belonging. A participant noted that while tolerance is essential to a democratic society, too much diversity is usually thought to erode social cohesion. If belonging to a community means sharing its values, beliefs, practices and traditions, high levels of diversity tend to break down such links. Why, then, does Jenson think that it can contribute to a sense of belonging?
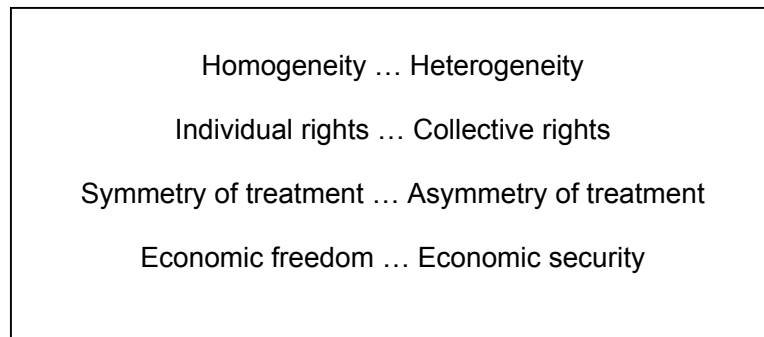
In Jenson's view, unity and diversity can be complementary, rather than

mutually exclusive. This is possible when different cultural communities are united by a shared commitment to core political values and good citizenship practices. Her view recalled Homer-Dixon's discussion of complex adaptive systems: systems that are composed of subsystems that interact while remaining different.

According to Jenson, the Canadian identity is not a collective identity in the same sense, say, that the French, German or English spoke of a "national identity" in the 19th and early 20th centuries. It is not an exclusive identity but an inclusive one; it is based on respect for cultural differences and a commitment to shared political values, such as the rights and freedoms that define our democracy. The challenge for such a community, and the parliamentarians who help to guide it, is to strike the right balance between unity and diversity. Jenson proposed a model to guide the choices. It includes four continuums, each of which is made up of two opposite values.

Homogeneity … Heterogeneity

Individual rights … Collective rights

Symmetry of treatment … Asymmetry of treatment

Economic freedom … Economic security

In pluralistic societies such as Canada, citizens share a commitment to all eight of these values. The task is to strike the right balance within each pair. There is no set point at which the balance should be struck. It should reflect the current and evolving cultural and social make-up of the society, and it requires the right mix of institutions, policies, practices and culture – all of which must be supported by good citizenship practices. In particular, those practices must be inclusive; they must allow for public debate over fundamental choices; and they must deliver on commitments to equity, social and economic security, and respect for diversity. Democratic institutions are essential to this process.

In a community such as Canada, Jenson stressed, the sense of belonging and identity arises not from a shared cultural or ethnic tradition but from the particular balance that our society strikes between the opposites that frame the four continuums. That particular balance is what distinguishes Canada from other democracies, such as the United States or Australia. Social cohesion is generated through the good citizenship practices we develop to preserve the balance appropriate to our society and our country.

2.2 Immigration, Social Cohesion and Globalization

Howard Duncan followed Jenson with a presentation that provided a more in-depth look at four policy challenges that immigration presents for social cohesion in Canada.

- Many immigrants settle in urban centres. From a government perspective, there are benefits to this. For example, it makes it easier for government to provide key services to help immigrants adjust to Canadian society. It is less costly, after all, to offer courses in English as a Second Language in Vancouver than in Terrace, B.C. On the other hand, the practice tends to create a form of self-segregation in enclaves of large urban centres that can make adjustment more difficult and weaken social cohesion by, for example, leading to cultural violence or racial conflict.

    At the same time, there is evidence that, over the longer term, such ethnic/cultural strongholds can contribute to social cohesion in immigrant societies. Evidence suggests that, when living together in a community, immigrants tend to support one another. This helps communities of new Canadians adjust, for example by building the economic base that enables them to become financially secure. After that goal is attained, they tend to disperse.

In a globalized world, international networks are an important form of human and social capital. They provide the connections that allow new relationships to develop.

- Another way in which immigrants can contribute to social cohesion is by promoting new business. In a globalized world, international networks are an important form of human and social capital. They provide the connections that allow new relationships to develop. Immigration can contribute, as immigrants maintain networks throughout the world.

    Participants wondered how Canadian governments could use immigration policy to leverage these networks more effectively to promote new business development.

- Immigration can also contribute to social cohesion through its contribution to the labour market. Currently, Canada's national birth rate is incapable of supporting the expansion of our labour markets. To compensate, migration becomes our primary source of labour market growth. Our capacity to compete in the international marketplace for skilled workers becomes an important tool for economic growth.

    One participant wondered whether our efforts to attract skilled labour from developing countries raises moral questions. For example, how do we ensure that we are not taking an excessive number of physicians out of South Africa, where they are badly needed? Duncan noted, however, that studies have shown most immigrants had already decided to leave their country of origin before choosing to come to Canada. It was only after the decision to leave had been made that Canada was able to attract them to this country. There is no moral conflict, he argued, in "selling" Canada to people who want to leave their country of origin.

- Encouraging immigrants to participate in the political process is an important part of social integration. Participation demonstrates a willingness to take personal responsibility, and also promotes confidence and a sense of belonging to the community.

  How can we encourage and facilitate this, participants wanted to know? According to Duncan, public education is one of the more effective solutions to integration issues.

  One participant noted that, even though fostering immigrants' inclusion in politics is encouraged, one rarely sees members of visible minorities in senior bureaucratic positions, unless they have been appointed. She wondered about the reasons for this, and what must be done to make such people full participants in the power structure. How do we overcome the institutional barriers they face? Is public education enough?

Increasing the depth and breadth of thinking about citizenship, and promoting dialogue about its meaning as nations reorganize and re-prioritize, could be another important role for parliamentarians.

For parliamentarians, a discussion of social cohesion should resonate on a number of levels. Jenson's discussion cuts to the heart of the democratic project: the role of the citizen. Increasing the depth and breadth of thinking about citizenship, and promoting dialogue about its meaning as nations reorganize and re-prioritize, could be another important role for parliamentarians.

Indeed, parliamentarians are both citizens and representatives of citizens, and thus offer an important perspective on what will be a continuing debate. Many of them also, through their work as representatives, see on a daily basis the practical problems as well as the opportunities that accompany immigration, and are highly knowledgeable about these issues.

The philosophical debate must be balanced by the practical concerns raised by Duncan. The policy areas he identified require both thought *and* action, and will form the basis on which both new immigrants and longtime Canadians will judge their coexistence. Parliamentarians will have a central role in any government's response.

3. Canada, Parliamentarians and New Governance Challenges

Clearly, a globalized world will affect Canada and its parliamentarians; but it is less clear how we are positioned to affect that world. This section of the report covers discussions on the changing nature of international governance structures, Canada's role internationally, and how parliamentarians can contribute.

The importance of interdependence as a defining feature of globalization is apparent in a wide range of policy areas, from the environment to trade. The overall result is that the distinction between domestic and foreign policy is dissolving.

Like many of the other speakers, Gordon Smith underlined the importance of interdependence as a defining feature of globalization. It is apparent in a wide range of policy areas, from the environment to trade. The overall result is that the distinction between domestic and foreign policy is dissolving. The international is becoming domestic, and the domestic international. Or, as he put it, government policy is increasingly a combination of the two – "intermestic."

This trend has led to the increased importance of international governance structures such as the United Nations and the World Trade Organization. It has further enhanced the importance of transnational corporations and NGOs, which are now significant players on the international scene. Together, these new actors demand strong consideration from elected representatives as they cope with "intermestic" issues, particularly as governments work to develop international agreements in areas such as trade, the environment, and international aid.

3.1 International Institutions and Global Forums

Many people today think international institutions are too powerful. There is a sense that global institutions tend to privilege some people and countries over others – that they are part of a system that makes too many people pay the price for affluence in the North.

Smith noted that many people today think international institutions such as the International Monetary Fund are too powerful. That is especially true in the developing world, where people are increasingly aware of the relatively wealthy lifestyles in much of the northern hemisphere and of the growing gap between rich and poor. There is a sense that global institutions tend to privilege some people and countries over others – that they are part of a system that makes too many people pay the price for affluence in the North. In the developed world, on the other hand, people on both the left and right of the political spectrum have criticized these global institutions for being controlled by corporate interests and eroding national sovereignty. Dissent is growing.

Smith believes that building global institutions such as the United Nations or the World Trade Organization is an evolutionary process. Over the long term, these institutions must develop the legitimacy to make decisions effectively. At present, what he called a "governance gap" exists at the global level. Even if there is an emerging sense of community within the global village, global institutions are challenged by the need for increased participation and accountability. To bridge the governance gap, those institutions must be redesigned, restructured or rebuilt to respond to the challenges. Better governance approaches are essential in new institutions, and change is needed in those that now exist. But those interested in government must be pragmatic, realistic and focused, he warned. Change and improvement are an incremental process.

A "governance gap" exists at the global level. Even if there is an emerging sense of community within the global village, global institutions are challenged by the need for increased participation and accountability.

Parliamentarians have a significant role to play. They are especially well positioned to work for more transparency and accountability in these institutions. The Global Organization of Parliamentarians Against Corruption is an example of excellent work of this sort. Senate and parliamentary committees can also play an important role in enhancing participation and accountability in international institutions. Global forums that should be targeted for improvement and development include the Commission on Governance, the United Nations Millennium Summit, the World Economic Forum, the G8, the G20, the Organisation for Economic Co-operation and Development and the G77.

Another example of an under-used resource that offers an opportunity to influence global governance, added Smith, is the meetings between Supreme Court judges of different countries. From time to time, these judges gather to discuss international issues such as human rights. At present, little is heard about such meetings, which are rarely covered in the media. Forums such as these could be used, however, to identify key issues and initiate action. Perhaps they could also serve as a kind of advisory board for initiatives that might be launched by civil society or governments. Such a board would not need any formal powers in order to explore, research and make suggestions about global institutions such as the International Monetary Fund or the World Trade Organization.

Parliamentarians need a clear idea of what they want to achieve. They cannot fix all the world's problems, and must therefore focus on areas that are critical.

In providing these examples, Smith's goal was to illustrate to parliamentarians, NGOs and others that there are many opportunities for them to work together to influence the evolution of international institutions of governance. Again, however, he underlined the importance of being focused, practical and realistic. Parliamentarians need a clear idea of what they want to achieve. They cannot fix all the world's problems, and must therefore focus on areas that are critical. They should then identify institutions that could be used to build networks and coalitions to achieve specific advances on behalf of Canadians and citizens of other countries.

3.2 Global Security and the United States

Governance is not the only challenge arising from globalization. There is a new sense of vulnerability in the world. Global security has emerged as one of the most difficult and complex issues facing governments today.

Governance is not the only challenge arising from globalization. There is a new sense of vulnerability in the world. Global security has emerged as one of the most difficult and complex issues facing governments today. Smith argued for the need to recognize that terrorism has roots – in poverty, desperation and rage – and that globalization marginalizes people. If individuals and groups feel unable to influence decisions and think that the system treats them unfairly, they may turn to terrorism as a means of dissent. In his view, the feeling of unfairness or exclusion is what underlies the growing anti-American sentiment around the world. It is not a prescription for stability.

The United States, on the other hand, feels isolated and threatened. Historically, the Americans have felt a responsibility to lead the world in the spread of democracy and the establishment of a market economy. In contrast, the isolationist mood of certain significant elements in that country is worrying. Smith believes that the best way for Canadians to help counter it is to engage those in the United States who believe in the value of international structures. Canada's effort to ban the use of landmines shows how such an approach can work: it united governments, elected representatives and NGOs from around the world.

Our capacity to develop solutions to these problems lies, as in the case of the landmine ban, in our ability to work internationally. Agreements are needed to provide the structure that will enable practical efforts to begin and to be maintained.

3.3 The Gap Between International Agreements and National Structures

Canadians want their government and parliamentarians to reflect Canadian values internationally. It would be impossible for the government to win public support for its foreign policy if that policy were not based soundly on Canadian values.

Smith made it clear that, in his view, Canadians want their government and parliamentarians to reflect Canadian values internationally. It would be impossible for the government to win public support for its foreign policy if that policy were not based soundly on Canadian values. Canadians expect this, want it and, indeed, demand it. But Canadians, their parliamentarians and their government must be careful not to go too far, he warned. We may lose credibility if, for example, we begin telling others what is in their best interest. If Canada wants a diplomacy or foreign policy based on values, we must ensure that they are expressed in the right place, at the right time, and in the right manner.

At the same time, it is important to recognize that Canada must respect the global norms that are developing. As these new norms emerge, they will have an impact on domestic thinking, and vice versa. We see this in the evolution of international agreements, such as the Rome Treaty for the establishment of the International Criminal Court. Despite occasional tensions between federal and provincial governments, implementing the treaty did not present major issues for Canada because the treaty reflected many values that we already hold. But it did raise issues for some other countries. Conversely, some agreements that do not have a major impact on other countries, or that have widespread support there, may be tougher for Canada to accept; the Kyoto Protocol is a case in point.

Parliamentarians have an important role to play in the emergence of global norms.

In Smith's view, implementation issues are significant for Canadian governments, and parliamentarians have an important role to play in the emergence of global norms. As processes develop around those norms, parliamentarians should be involved from the start so that they can begin to evaluate the impact on domestic values and institutions.

A participant asked about the effect of federalism on Canada's international commitments. She noted that parliamentarians who attend international meetings as representatives of Canada often find themselves in the difficult position of explaining why Canadian premiers may be taking a position that conflicts with that of the Government of Canada. Such occurrences may compromise Canada's credibility: to diplomats from other countries, it often looks as though Canada's representatives are simply explaining away why we have not met our commitments. The participant went on to ask whether Smith felt that Canadians want or need some kind of pan-Canadian standards and

some way of ensuring that they have a unified voice on the international stage. If so, what steps could be taken to achieve this?

Smith agreed that having different Canadian governments express different views complicates international diplomacy. But that is a fact of life in Canada. The best way to deal with it is to address differences of opinion early on, rather than waiting for them to create news headlines. Once that happens, the situation can become unmanageably complex.

Interestingly, other governments are developing models to improve the process of deliberation about international agreements, such as the Australian model detailed in the Appendix. It provides a consultative approach to treaty-making that involves parliamentarians, state governments and the public. "In a world that has become smaller and more complicated, and subject both to rapid technological innovation and economic globalization, treaties have, quite clearly, a domestic consequence; they impact on the way that citizens conduct their lives and they impact on the way that citizens conduct their livelihood. So, presumably, citizens should be involved, either directly, or through their parliament," High Commissioner Hely noted. The initiative has reduced the criticism levelled at the Australian federal government by aggrieved interests who now understand the process better and feel a part of it.

The contribution of civil society to international governance, and to processes such as Australia's, has become an increasingly important part of providing the processes with overall legitimacy.

The contribution of civil society to international governance, and to processes such as Australia's, has become an increasingly important part of providing the processes with overall legitimacy. But if it is important for civil society to be engaged, what is the best way for parliamentarians, who should ultimately be the arbiters of a country's interests, to engage it?

3.4 The Changing Relationship Between Government and Civil Society

John English observed that, historically, parliamentarians have not always had a role in foreign affairs. In the early years after Confederation, Canadian prime ministers maintained tight control of the foreign affairs agenda. Even when Prime Minister Mackenzie King was in power, he saw foreign affairs as his prerogative and kept members of his Cabinet and his party on a very short leash. In the years following World War II, however, Canadian parliamentarians began to play a much more significant role. With the support of figures such as Lester B. Pearson, they became closely involved in discussions on the founding of key international institutions such as the United Nations.

English also pointed out that the relationship between parliamentarians and civil society has not always been smooth for parliamentarians. In the 1990s, for example, government officials often bypassed Parliament and relied instead on civil society organizations to gather policy ideas and gauge public opinion. Another point of tension concerns the tendency of civil society to ignore Members of Parliament by failing to involve them in policy processes and consultations.

In his presentation, Foreign Affairs Minister Bill Graham began by noting that national governments are no longer the only actors in global governance. Transnational corporations and civil society organizations play an increasingly important role. For example, they have used their formal and informal networks to make a major contribution to the United Nations Convention on the Rights of the Child. Moreover, new international institutions are emerging that formally include representatives of civil society. In the Arctic Council, for example, groups representing Aboriginal and indigenous peoples have a place at the table alongside traditional political representatives. He pointed out that such linkages between civil society and elected representatives can be complementary, but they can also be challenging, as when disagreements arise over who really represents the views of citizens.

Minister Graham noted that civil society organizations often have a high level of expertise in their respective fields, and that this can be valuable in policy-making. Moreover, bringing them into the process also democratizes it. But, the Minister warned, their views must be balanced against other concerns. The broader, more holistic view of society must be taken into account, and this is often better represented by parliamentarians.

A participant wondered how closely governments should align themselves with civil society. On the one hand, according to Gordon Smith, experiences such as the 1999 anti-globalization protests in Seattle have created a certain resistance among some elected officials to involving civil society directly in policy discussions. They feel that many NGOs have had a disruptive effect on international bodies such as the World Trade Organization, and that the approaches the NGOs take in policy discussions are a cynical effort to block the work of established institutions.

The other side of this coin was presented by Minister Graham, who observed that, as a result of globalization, new international challenges and priorities shift quickly. This has happened, he noted, with global warming, international terrorism, and President George W. Bush's foreign policy framework. In such an environment, civil society can often make a key contribution to helping the government determine its direction. Civil society's input is important not only because of its expertise, but also because NGOs often reflect new or emerging streams of thought within the country. Further, NGOs often have extensive formal and informal networks. By working more closely with them, parliamentarians could access these networks for a variety of purposes, ranging from information and expertise to organizational and communications capacity. In this regard, Gordon Smith noted that, years ago, Canada began to make progress in getting American governments to control acid rain once we started working with civil society in that country, notably the Sierra Club and Greenpeace.

Parliamentarians, however, as John English pointed out, are sometimes in a position to gain access to centres of power and to influence other nations where civil society organizations cannot. Parliamentarians today are more diverse, better travelled, and more likely to be educated outside of Canada than ever before, he said. They are a rich resource that civil society and the government should exploit more fully.

The consensus seemed to be that governments should work to forge closer links between the institutions and practices of parliamentary democracy and civil society. Such links would help ensure that policy development is transparent and represents the opinions, interests, and values of all Canadians.

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One participant, however, was concerned that the Government of Canada had not done more to align its governance structures with international treaties and conventions or with Canada's membership in international organizations. As a result, she said, many Canadians do not believe that decision-making respects our international commitments. There is often a gap between what we say we will do and what we actually do. Moreover, many citizens and civil society organizations are suspicious of government consultations, believing that their proposals will be ignored in the final decisions. What can be done to improve this, she wondered?

Minister Graham replied that decisiveness and coherence are also important. Not all suggestions can be incorporated into a decision, especially as they may be mutually contradictory. The fact that government does not always act on the advice it receives does not always mean that it is not listening. Government's job is to bring together as many voices as possible and to craft a policy that reflects a range of views on an issue of concern. That is how it promotes the public interest.

Nevertheless, government is not a perfect listener, he added; and it sometimes fails to acknowledge fully the contributions of those it has consulted. There is room for improvement. Perhaps we can learn from parliamentary committees, Minister Graham suggested. They have had some notable successes in fostering open debate and helping to shape government policy. Parliamentarians have had a major influence on the direction of the government, and we need to build on this foundation.

3.5 Canada's Role in the World

What could be Canada's role in this globalized world? Traditionally, we have seen ourselves as a middle power that can act as a bridge or helpful mediator.

What could be Canada's role in this globalized world? Traditionally, we have seen ourselves as a middle power that can act as a bridge or helpful mediator. Gordon Smith, however, spoke against this view and pointed out that the Americans and the Europeans, for example, do not need a third party to help them talk to each other. He recommended that Canadians abandon that way of thinking about our international role, and that Canada should base its foreign policy on its own interests and values.

What particular assets or skills does Canada have that it could build on, a participant wondered? Given that issues and relationships in a globalized world are becoming increasingly complicated, is there something special that we as a country can contribute or promote? Do we have "core competencies" – unique strengths to apply?

Smith went on to identify three such strengths:

- Canadians have ideas and they are prepared to do things differently. That may sound trivial, but it is not, he insisted.

- Canadians are skilled at solving problems. Smith views this as the basis for our diplomacy.

- Canadians do not carry a lot of historical baggage. We are not a former colonial power, we are a bilingual and multicultural country, we have an Aboriginal community, we are regarded as a tolerant society and, therefore, we are generally well received in the international community, Smith stated. These qualities have positioned us well for a number of diplomatic jobs, such as building coalitions, whether with like-minded countries or NGOs.

Canadians have high levels of expertise in a wide range of areas that are of interest elsewhere in the world. In addition, Canada is well positioned to help bring about change in, or to provide advice and help to, developing countries.

Smith also noted that Canadians have high levels of expertise in a wide range of areas that are of interest elsewhere in the world. In addition, Canada is well positioned to help bring about change in, or to provide advice and help to, developing countries.

Smith used an organization he chairs, the Canadian Institute for Climate Studies at the University of Victoria, as an example. It unites experts from a variety of fields, including climate change, energy sources, the economic impact of climate change, and policy development. Smith suggested that parliamentary committees could usefully focus some attention on the role of such centres and consider whether enough is being done to promote Canada's expertise internationally.

Conclusion: Connecting the Dots

Historian Arthur Schlesinger Jr. wrote in *The Imperial Presidency* that "every president reconstructs the presidency to meet his own psychological needs." Likewise, every parliamentarian who comes to Ottawa learns that he or she must construct the job to meet his or her interests, strengths and needs, as well as those of the constituency and, ultimately, the country.

Parliamentarians have long sensed the "intermestic" nature of contemporary Canada: the fusion of the domestic and the international. Understanding the forces that create that fusion, and how they are interwoven, can help in achieving individual, constituent, party and national goals.

These roundtables on globalization will help parliamentarians in that task by, at the very least, showing how global issues today can, indeed, be very local. Parliamentarians have long sensed the "intermestic" nature of contemporary Canada: the fusion of the domestic and the international. Understanding the forces that create that fusion, and how they are interwoven, can help in achieving individual, constituent, party and national goals.

Beyond that, the pathways for action are less clear. The three questions underlying the discussions remain, and have no easy answers:

- How do we reform parliamentary institutions to make them more effective in this era?

- How do we reform international organizations to make them more democratic?

- How can parliamentarians make "global governance" as practised at the international level, through such institutions as the United Nations and the World Trade Organization, accountable to their country's citizens?

It may seem trite to say that understanding is the first step; but it is nonetheless true. Parliamentarians must understand the importance, complexity and local applicability of these broad issues so they can grasp their relevance and the value of acting, individually and collectively, to reform institutions and make them more accountable. If they do this, they can put globalization on the agenda, personally and for the country. Obviously, not everyone will want to be involved in that mission. But if some parliamentarians choose to construct their job so that it involves these issues, progress can be made.

The reform of Canada's parliamentary institutions, of course, is already on the agenda, independent of globalization. The discussions outlined in this report suggest considering which parliamentary institutions are more affected by globalization, and focusing on those. Making such institutions more accessible to new Canadians, and interested in hearing from them, seems to be one aspect that calls for attention. The uneasy relationship between parliamentarians and NGOs is another.

As these roundtables made clear, the structure of governance is shifting to a more "networked" style. Increasingly, governments – including our own – will be making decisions and setting directions through a combination of processes that involve domestic governments, global institutions, the interests of transnational corporations, and civil society. Networked governance distributes authority, rather than centralizing it. It relies on the intricate relations we create between our economies, our governments, our environments and the individuals that comprise our society. In networked governance, concerns overlap and integrate, while once hard-and-fast distinctions begin to dissolve (as reflected in the idea of "intermestic" concerns).

Tapping into these networks will, therefore, be important for parliamentarians. How can they do this?

- Parliamentarians should familiarize themselves with current and emerging structures of international governance.

- Parliamentarians can create "nodes" in the domestic network through their constituency work and through their work in committees of the House of Commons and the Senate. They have the opportunity to become facilitators of debate and ingenuity. For such initiatives to be truly effective, some reform of the parliamentary system may be in order, as in Australia.

- One challenge to which parliamentarians may be especially suited is coping with the pressures that will be put on our conception of citizenship as Canada's diversity increases.

- Parliamentarians should tap into existing international networks of parliamentarians as a source of information, ideas and potentially productive connections. Existing and new associations of parliamentarians from around the world should be encouraged, especially those that seek specifically to address increasingly international issues such as corruption, health and the environment.

- Parliamentarians with expertise in a certain field of public policy can take opportunities to develop or further extend their international involvement in that field.

- Parliamentarians could consider setting for themselves a travel agenda that includes taking a trip every year or 18 months to the homeland of a major ethnic group in their constituency, along with community leaders (from both within and outside that ethnic group), to build understanding, bridges and cohesion.

- Parliamentarians should support and encourage international e-forums and the spread of such technology around the globe.

- Parliamentarians should foster ties between the work of Parliament and the work of civil society, while making every effort to maintain a holistic, balanced approach to the public interest.

- Parliamentarians can champion Canada's capacity and expertise to the world. Our diversity, in particular, should be seen as a reservoir of ideas and a source of special "soft" skills, such as negotiation and diplomacy.

Homer-Dixon warned that, as globalization progresses, previously separate spheres of activity become more integrated. All parliamentarians with a long-term political commitment will need to be ready to respond to this increasing integration. Let us hope that many will also want to play a part in influencing the course of events.

Appendix

The Australian Treaty Process:
Creating a Formal Consultation Mechanism

Australian High Commissioner Anthony Hely presented participants with a case study of his government's efforts to reform Australia's national treaty-making process to make it more open, transparent and accountable.

The Australian federal government launched the reform process in 1996, in response to concerns over a range of issues: lack of accountability in the existing process; possible loss of sovereignty resulting from treaties, especially those involving supranational organizations such as the World Trade Organization or the United Nations; and a need to improve consultations between the federal government and the states on treaty issues. The reform process resulted in what Hely called the five pillars of treaty reform:

1. Parliament is required to table treaties at least 15 sitting days before the government takes binding action on them.

2. The tabled documents must include a National Interest Analysis – a record of discussion of the economic, social and cultural effects of the treaty.

3. The Joint Parliamentary Standing Committee on Treaties must consider and report back to government on tabled treaties and all other treaty matters referred to it by the House, Senate or the Minister of the day.

4. An advisory council chaired by the Prime Minister must consult with state governments on treaties of particular sensitivity and importance to them.

5. The Australian Treaties Library was established as an on-line site that includes the text of treaties, associated documents, and a list of all international treaties under negotiation or review. It also includes the Australian Treaties Database. The database has a powerful search engine and report-generating capacity. It summarizes treaties and key action dates and is linked to the Treaties Library, enabling users to jump from treaty texts to subsidiary documents and key treaty action information.

In addition, Hely noted that his government had adopted a practice of wide-ranging consultations over the course of treaty negotiations. These consultations include state governments, industry, and interest groups.

He emphasized, however, that the government retains the power to make a final decision on the contents of a treaty. Although the Joint Parliamentary Standing Committee is an advisory body that the government would not easily ignore, it remains the government's responsibility to balance competing interests and promote what it believes to be in the national interest.

Hely concluded by noting that the Australian government has found the new treating-making process to be a liberating exercise. Before it was in place, the government was continually under attack from different interests within society. Today, there is a much greater sense that the process is open, fair and representative.